

## Message Text

PAGE 01 HONG K 02290 01 OF 02 010748Z

12

ACTION SS-30

INFO OCT-01 ISO-00 ( ISO ) W

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R 010635Z MAR 74

FM AMCONSUL HONG KONG

TO SECSTATE WASHDC 9776

INFO AMEMBASSY CANBERRA

USLO PEKING

CINCPAC HONOLULU HI

C O N F I D E N T I A L SECTION 1 OF 2 HONG KONG 2290

EXDIS

CINCPAC FOR POLAD

E.O. 11652: XGDS-2

TAGS: PINT, CH, PFOR

SUBJECT: CHIAO KUAN-HUA-AUSTRALIAN AMBASSADOR CONVERSATION  
FEBRUARY 23

SUMMARY. IN CONVERSATION WITH THE AUSTRALIAN AMBASSADOR TO PEKING, VICE FOREIGN MINISTER CHIAO KUAN-HUA HAS COMMENTED ON THE INTERNAL PRC SCENE AND VARIOUS ASPECTS OF PRC FOREIGN AFFAIRS. HIGHLIGHTS INCLUDE CHIAO'S REMARK THAT THE INTERNAL PRC DEBATE HAS TURNED TO "SPECIFIC PROBLEMS," AND HIS SUGGESTION THAT THESE MIGHT INCLUDE DEFENSE POLICY. END SUMMARY.

1. AUSTRALIAN COMMISSION HAS PASSED US TWO CABLES FROM THEIR PEKING EMBASSY REPORTING A LENGTHY CONVERSATION FEBRUARY 23 BETWEEN AUSTRALIAN AMBASSADOR FITZGERALD AND PRC VICE FOREIGN MINISTER CHIAO KUAN-HUA. KEY SUBSTANTIVE PORTIONS FOLLOW, QUOTED FROM THE TWO CABLES.  
BEGIN TEXT AUSTRALIAN MESSAGE.

2. DOMESTIC POLITICS-/BEGIN QUOTE. WE DISCUSSED ASPECTS OF THE CURRENT STRUGGLE THROUGHOUT THE EVENING. CH'IAO WAS HAPPY TO DISCUSS CONFUCIUS (HE SAID TIME MAGAZINE OF FEBRUARY 25 HAD A GOOD INTERPRETATION OF THE INFLUENCE OF CONFUCIUS IN CHINESE  
CONFIDENTIAL

PAGE 02 HONG K 02290 01 OF 02 010748Z

SOCIETY) BUT TENDED TO JAM UP WHEN LIN PIAO WAS RAISED. HE AGREED THAT IT WAS IMPOSSIBLE TO IDENTIFY LIN'S CONFUCIAN HERESIES FROM HIS PUBLISHED SPEECHES (WHICH CH'IAO SAID WERE ALL WRITTEN BY CH'EN PO-TA) AND SAID THE EVIDENCE WAS TO BE FOUND ONLY IN THE

PRIVACY OF LIN'S ROOM AND AMONG HIS PERSONAL PAPERS. (WE HAVE HEARD PRECISELY THE SAME FROM LOW-LEVEL CONTACTS.) THIS TENDS TO MAKE THE CHARGE HIGHLY SUSPECT.

3. CH'IAO'S ANSWERS LENT SOME SUBSTANCE TO OUR LINE OF SPECULATION IN TWO RESPECTS--1) HE AGREED QUESTION OF LINE WAS SETTLED AT TENTH PARTY CONGRESS AND THAT DEBATE AND CONTENTION HAD MOVED TO 'SPECIFIC PROBLEMS.' HE SOUGHT TO PLAY DOWN NPC, SAYING 'WHETHER OR NOT IT HAS BEEN DELAYED' WAS LESS IMPORTANT THAN THE SPECIFIC PROBLEMS INVOLVED: 2) HE SAID CONFUCIUS CAMPAIGN HAD TWO ASPECTS, THE BROAD ANTI-CONSERVATIVE AND EDUCATIONAL ASPECT AND THE NEW SPECIFICALLY-FOCUSED POLITICAL STRUGGLE (NOT FURTHER ELABORATED).

4. CH'IAO WAS UNFORTHCOMING ON SPECIFIC POINTS AT ISSUE BUT DID COMMENT AT ONE STAGE THAT THERE ARE STILL PEOPLE WHO DISAGREE WITH CURRENT DEFENCE POLICY (DESCRIBED AS MAO'S LINE THAT CHINA'S DEFENCE RESTS ON MILLET AND GUNS AND A FEW ATOMIC BOMBS). CH'IAO SPOKE OF THE NUCLEAR PROGRAM AS THOUGH IT WERE MORE SYMBOLIC THAN REAL AND ADMITTED IMPOSSIBILITY OF EVER MATCHING THE SUPERPOWERS. HE SAID HE DID NOT KNOW WHEN CHINA WOULD TEST AGAIN: 'I'M NOT THE ONE WHO MAKES THAT SORT OF DECISION.'

5. CH'IAO SEEMED SURPRISED AT FOREIGN REACTIONS TO ANTONIONI CRITICISMS, SAID THE THRUST WAS NOT ANTI-FOREIGN, AND SUGGESTED ANTONIONI AFFAIR MIGHT BE DRAWING TO A CLOSE.

6. CH'IAO SAID IT WAS 'UNLIKELY' THAT CHINA WOULD PERMIT FOREIGN INVESTMENT IN THE FUTURE, CORRECTING MFA DESK OFFICER WHO SAID IT WAS 'IMPOSSIBLE.'

7. COMMENT. CH'IAO BELONGS TO THE CHOU EN-LAI NETWORK (WHICH ADDS SIGNIFICANCE TO HIS NEW WIFE BEING BROUGHT INTO THE MAO CIRCLE). THE SLIGHT DEFERENCE TO LIN P'ING (WHO IS JUNIOR TO HIM BUT PROBABLY IN THE SAME NETWORK) REPORTED IN OUR PRECEDING TELEGRAM MAY BE NO MORE THAN ROUTINE POLITICAL CAUTION, SINCE HE ALSO VOLUNTEERED ANECDOTES ABOUT HIS OWN MISFORTUNES DURING THE CONFIDENTIAL

PAGE 03 HONG K 02290 01 OF 02 010748Z

CULTURAL REVOLUTION (THE MASSES WERE CORRECT). HE FELT FREE TO DISCORSE GENERALLY ON DOMESTIC AND FOREIGN POLICY AND TO REFER TO SUCH 'GOOD FRIENDS' AS ROCKEFELLER AND JOHN FAIRBANK ALTHOUGH HE ALSO TOOK CARE TO CRITICISE BOTH. (INCIDENTALLY HE EXPLAINED CRITICISM OF OWEN LATTIMORE--OUR 166--AS REFERRING ONLY TO LATTIMORE'S PAST.) CH'IAO MAY SIMPLY BE TAKING CARE LEST HIS BOURGEOIS CONNECTIONS (AND HIS DRINKING) BE TURNED AGAIN HIM. BUT IF WE HAD TO JUDGE BY CH'IAO'S BEHAVIOUR WE WOULD STILL TEND TO BELIEVE CHOU EN-LAI DOES NOT HAVE HIS BACK TO THE WALL. END QUOTE.

8. FOREIGN AFFAIRS: BEGIN QUOTE. CH'IAO WAS EXPLICITLY EMPHATIC THAT LIN-CONFUCIUS STRUGGLE WOULD NOT IN ANY WAY CHANGE

EXISTING COURSE OF FOREIGN POLICY BECAUSE HE SAID, FOREIGN POLICY IS DIRECTED PERSONALLY BY MAO. (INFORMATION DEPARTMENT, MFA AT KAUNDA BANQUET WENT OUT OF ITS WAY TO MAKE SAME POINT TO PRESS). THIS STILL MEANS, OF COURSE, THAT MAO COULD ALWAYS CHANGE THE TACTICS RADICALLY WITHIN THE LINE, BUT CH'IAO GAVE IT AS HIS PERSONAL ASSURANCE THAT THERE WOULD BE NO CHANGE AND HIS EXAMPLES BOTH HERE AND THROUGHOUT THE EVENING CONCERNED CONTINUITY OF TACTICS (E.G. RELATIONS WITH THE UNITED STATES) AS WELL AS LINE. IN GENERAL, FROM A DISCUSSION WHICH TOUCH  
CONFIDENTIAL

PAGE 01 HONG K 02290 02 OF 02 010819Z

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ACTION SS-30

INFO OCT-01 ISO-00 /031 W  
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R 010635Z MAR 74  
FM AMCONSUL HONG KONG  
TO SECSTATE WASHDC 9777  
INFO AMEMBASSY CANBERRA  
USLO PEKING  
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C O N F I D E N T I A L SECTION 2 OF 2 HONG KONG 2290

EXDIS

CINCPAC FOR POLAD

10. CHINA-THAILAND. CH'IAO SAID REPORTS ON DAWEE'S CONVERSATION WITH CHOU EN-LAI 'DID NOT ACCORD' WITH WHAT WAS SAID (BUT HE DID NOT SAY THEY WERE ENTIRELY UNFOUNDED). POSITION WAS THAT CHINA WAS NOT MAKING REVOLUTION IN THAILAND AND DID NOT HAVE THE CAPACITY TO DO SO, AND REVOLUTIONARY ACTIVITIES WERE THE THAIS' OWN AFFAIR. CH'IAO WAS CAREFUL TO BLAME THAI PRESS FOR MISREPORTING CHOU, AND RECALLED THAI PRESS 'MISREPORTS' ON CH'IAL'S NEW YORK CONVERSATION WITH CHATTICHA TO SUPPORT HIS POINT.

11. CHINA-MALAYSIA. CH'IAO REITERATED CHINESE VIEW THAT MAIN PROBLEMS WERE SOLVED (SUGGESTING CHINESE MAY NOT RAISE SERIOUS OBJECTIONS TO LATEST MALAYSIAN POSITION NOW BEFORE THEM) AND RECOGNITION WOULD COME SOON, AND SAID CHINESE WERE EXPECTING RAZAK IN PEKING BEFORE LONG.

12. CHINA-JAPAN. FROM DISCUSSION OF SOUTH CHINA SEA ISLANDS, CH'IAO SAID SENKAKUS WERE AN ISSUE 'OF SECONDARY IMPORTANCE' IN CHINA-JAPAN RELATIONS AND THAT CHINA WAS QUITE CONFIDENT IT WOULD BE SOLVED IN TIME AND PEACEFULLY (NEW ZEALAND EMBASSY IN TOKYO HAS APPARENTLY HAD EVEN MORE EXPLICIT INFORMATION THAN THAT GIVEN BY OGURA-TOKYO'S 501-TO EFFECT THAT THERE WAS AN UNDERSTANDING TO PUT THE SENKAKUS ISSUE ON ICE WHEN TANAKA VISITED PEKING IN

CONFIDENTIAL

PAGE 02 HONG K 02290 02 OF 02 010819Z

SEPTEMBER 1972).

13. SURPRISINGLY, CH'IAO WAS UNUSUALLY SCEPTICAL ABOUT POSSIBILITY OF JAPAN BEING DRAWN INTO SOVIET ORBIT OR BEING PRESSED BY ENERGY CRISIS TO DEPENDENCE ON SOVIET UNION.

14. CHINA-UNITED STATES. CH'IAO CLAIMED CHINESE LIAISON OFFICE CHIEF HUANG CHEN RETURNED TO CHINA LAST YEAR FOR CONSULTATIONS AND BECAUSE HE IS ILL, ADDING THAT BRUCE WAS ABSENT FROM PEKING BECAUSE HE WAS ON AN ASSIGNMENT FOR KISSINGER. THIS WAS BY WAY OF REFUTING FOREIGN REPORTS THAT THERE HAD BEEN A WORSENING IN SINO-UNITED STATES RELATIONS, WHICH WERE 'EXACTLY' AS THEY HAD BEEN FEBORE.

15. MIDDLE EAST. CH'IAO WAS HIGHLY CRITICAL OF SUPERPOWER ROLES IN THE MIDDLE EAST AND OF PEACE FORCE. HE HOPED OIL EXPORTING COUNTRIES WOULD KEEP PRICE OF OIL HIGH TO FORCE OTHER COUNTRIES INTO EXPLOITATION OF THEIR OWN RESOURCES. END QUOTE. END TEXT AUSTRALIAN MESSAGE.

16. COMMENT. CHIAO HAS RECENTLY BEEN UNUSUALLY AVAILABLE TO WESTERN DIPLOMATS IN PEKING, PRESUMABLY TO REASSURE THEM ABOUT THE CONTINUITY OF CHINA'S FOREIGN POLICY. HIS REMARK THAT THE INTERNAL POLITICAL DEBATE HAS MOVED TO "SPECIFIC PROBLEMS" PARTLY ACCORDS WITH OUR IMPRESSION OF THE DIRECTION THE ANTI-LIN/CONFUCIUS CAMPAIGN HAS BEEN TAKING, E.G. MORE PRECISE CHARGES, ALL STILL AT THE LOWER OR MIDDLE LEVEL OF ADMINISTRATION, OF PARTICULAR CASES OF REVISIONIST BACKSLIDING. WE DO NOT NOW KNOW HOW THIS FITS WITH THE FEBRUARY 20 EDITORIAL'S ADMONITION TO AVOID ENTANGLEMENT IN "PARTICULAR QUESTIONS." IN ANY EVENT, CHIAO'S REMARKS ADD TO OUR IMPRESSION THAT THE PRC LEADERSHIP IS CURRENTLY ENGAGED IN A DEEP-GOING, FAR RANGING POLITICAL CONTENTION, HOW EVER MASS EDUCATIONAL OR SUPERFICIALLY ANTI- THE OUTWARD MANIFESTATIONS MAY BE

17. CHIAO'S REFERENCE TO DIFFERENCES OVER DEFENSE POLICIES ARE MOST INTERESTING. CONTENTION IN THIS AREA HAS BEEN SUGGESTED ELSEWHERE, IN CHOU'S DOWNPLAYING OF THE IMMEDIACY OF THE SOVIET THREAT AT THE TENTH PARTY CONGRESS AND IN THE WAY THE SOVIET UNION'S ALLEGED "TACTICAL WEAKNESS" HAS BEEN HIGHLIGHTED IN RECENT MONTHS. WE NOTED IN DECEMBER THAT RED FLAG ACCUSED LIN  
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PAGE 03 HONG K 02290 02 OF 02 010819Z

PIAO OF REVERSING "RELATIONS BETWEEN BASIC INDUSTRY AND THE NATIONAL DEFENSE INDUSTRY" (HONG KONG'S A-24).

18. WE WILL OFFER SOME THOUGHTS END SPECULATION ABOUT THIS ISSUE IN A SEPTEL.

19. CHIAO'S NEW WIFE (PARA 7) REPORTEDLY IN CHANG HAN-  
CHIH (SEE HONG KONG'S A-47).  
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## Message Attributes

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